

**LABOUR RELATIONS
IN THE REPUBLIC OF MOLDOVA:
COMPANIES' VIEWPOINT**

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ABOUT THE STUDY

This study was performed as part of the project “Promotion of the Social Corporate Responsibility Promotion and Local Network of the Global Pact establishment in the Republic of Moldova”, implemented by the “Expert-Grup” think tank and financially supported by the UNDP Moldova. The Local Global Compact Network was established in the Republic of Moldova in November 2006. In order to identify themes and issues of major interest for the Network members, “Expert-Grup” undertook a survey which showed that labour relations represent a continuous concern for companies. The study is an endeavour to offer more information and ideas on this issue. The authors of this study are Dr. Alic Bîrca, University Lecturer at ASEM and PhD Fellow Alexandru Gamanji, economist at the “Expert-Grup”. The sociological study was carried out by the CBS-AXA Company.

INTRODUCTION

Global competition in production and service sectors is continuously increasing and it pushes organizations towards new ideas and hopes. Situational changes cause enterprises a great number of competition challenges which make them to use human resources management in the effort to provide themselves the necessary staff in order to ensure competition both, at national and international levels.

Reorganization and restructuring of the human resources management requires important efforts, by making administrative bodies sensitive towards this issue, as well as abilities on behalf of those who should implement it. Thus, some companies have been successful in restructuring human resources management, while others are still in the process.

Human resources management issue can be influenced both, by internal environment factors and by those of the external environment. Among internal factors which can influence human resources management we can name: Head Managers' readiness to reorganize human resources, employees' abilities from the personnel department, the lack of necessary financial resources for function restructuring, etc. External factors can be: the increasing deficit of specialists for some professions on the labour market, an incomplete development of companies which provide continuous professional development services, trade-unions activity, etc.

The purpose of this study is to identify problems faced by the companies in their relationships with employees, work relationships established between employees and employers, ways of finding solutions to employees' problems inside an organization, as well as finding these problems in labour laws. The authors of this study conducted a sociological research through questionnaires; it involved 55 companies from the entire Republic of Moldova. The questionnaire was addressing human resources managers from companies or directly owners, in case if some companies may not have a special responsible person.

At the same time, we discuss the matter of human resources management at a macroeconomic region-based or local-based level because of this factor's contribution to strengthening some administrative, government, region-based or local-based decisions concerning possible correction interventions.

METHODOLOGY

This study was conducted in May-June 2007.

In this stuffy we tried to show the current situation of human resources and their management. That is why the research was made in several phases:

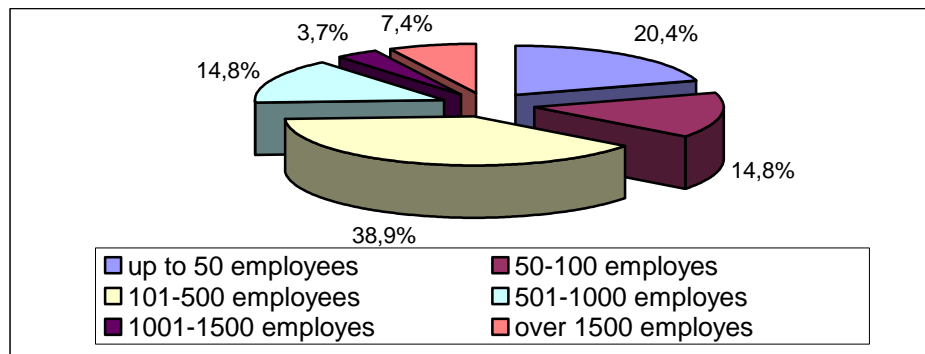
1. Preparations for the research process. This phase included the research program drafting and information sources selecting – a number of enterprises from the Republic of Moldova, different both from the point of view of the activity domain and as concerning the staff number;
2. A focus-group formation with representatives of 7 companies, aiming to identify most important elements to be present in this study;
3. Drafting the questionnaire and performing the field study;
4. Primary data preparing and processing;
5. Analysis of the surveyed companies' responses;
6. Conclusions and recommendations formulation and argumentation.

In the interpretation of processed data, we used a large variety of research methods, able to ensure a more correct evaluation of the present-day situation: the deduction, the induction, the qualitative analysis, the synthesis, the scientific abstract process. This can be explained by the fact that social life individuals' behaviour is influenced not only by objective social laws which do not depend only on their will, but also by a series of subjective factors, which influence decisions in human resources management.

2. PROFILE OF THE COMPANIES WHICH TOOK PART IN THE SURVEY

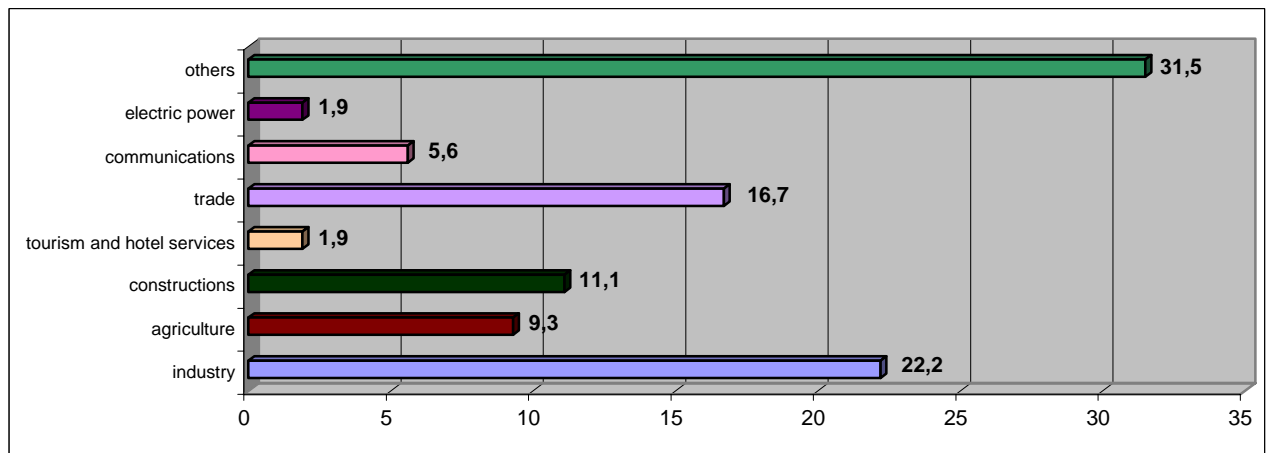
As for the configuration of companies' participant in the test, the situation is the following (figure no.1)

Figure no.1. The structure of companies by number of employees



The surveyed companies are from different activity domains. In figure no.2 we present enterprises' structure taking into account their activity domain.

Figure no.2. Structure of the companies by area of activity



3. PRIORITIES OF HUMAN RESOURCES MANAGEMENT

During the sociological research, participant companies had the possibility to choose, from the multitude of activities of the human resources management domain, at maximum three activities considered to be most important for the organization. In the table no.1 we present the activities from the domain of human resources management, considered to be the most important for the surveyed companies.

Staff organization (organizational structure and job description)

Local organizations are still in the process of their structural re-adjustment generally and of the human resources subdivision re-adjustment in particular. But we should take in consideration the fact that when an enterprise deals with a change; it should start from staff organization, analysis of existent positions and their merging in separate subdivisions on the similarity basis, drafting descriptions and specifications of relevant positions. This is, in fact, the most important activity in human resources management, other activities depending on how it is put in practice.

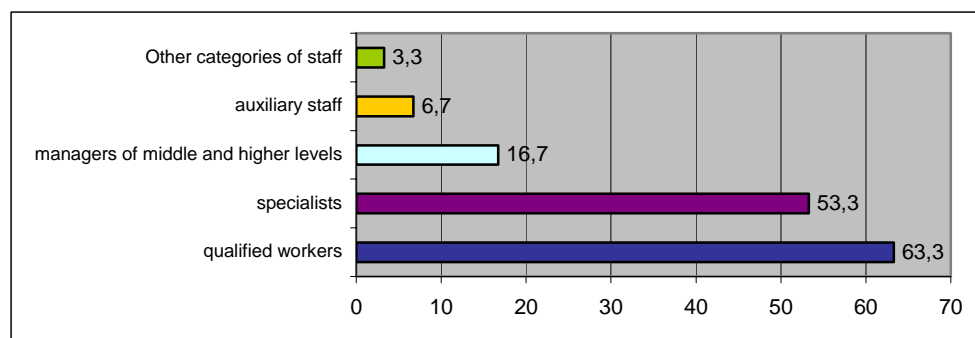
Table no.1 Activities connected to human resources management considered to be the most important for companies involved in the study

Activities connected to human resources management	In order of importance			
	First	Second	Third	Multiple answer
Staff organization (organization structure, job description)	29.6%	14.8%	1.9%	46.3%
Personnel availability (planning, recruiting and selection)	22.2%	29.6%	5.8%	57.6%
Professional development for the staff	22.2%	22.2%	17.3%	61.7%
Professional performances assessment		1.9%		1.9%
Payment for the staff	5.6%	5.6%	9.6%	20.8%
Safety and health of the work	1.9%	9.3%	28.8%	40.0%
Relations with employees (communication, involvement and participation, relationships with trade-unions)	9.3%	7.4%	17.3%	34.0%
Ensuring equal opportunities	3.7%	5.6%	13.5%	22.8%
Drafting and readjusting staff policies	1.9%	-	1.9%	3.8%

Availability of personnel (planning, recruiting and selection)

Finding the staff, fact which includes planning, recruiting and selection processes, represents a priority for the majority of organizations, because these are relatively new activities for specialists from the human resources field. Also, finding the necessary staff for the organization (figure no.3) both, from the quantitative and qualitative point of view, represents a strategic objective that cannot be neglected. At the moment when the present study was conducted, 50.0% of the questioned organizations mentioned having a deficit of personnel within their organization, while another 50.0% said they do not have any reasons to worry about lack of staff within the organization.

Figure no.3. Categories of employees needed in organizations



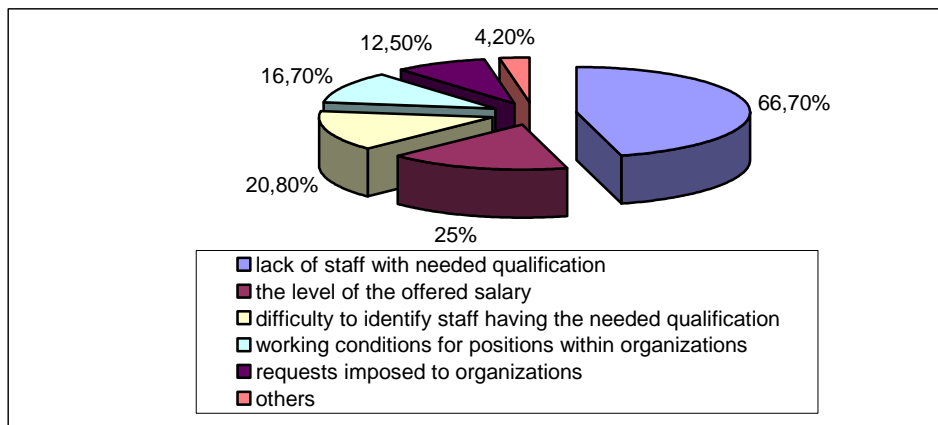
The lack of qualified workers is determined both, by the emigration abroad of a part of working-age population and by the fact that young people do not feel very much attraction towards professions and specialties offered by vocational schools. At the same time the technical and material endowment of these institutions is under the level of minimum activity requirements; then specialists' profile and graduates' qualification do not correspond to the current demand on the labour market.

Even though in last years higher education institutions and colleges prepared the greatest number of specialists for the labour market, the problem of highly qualified staff still exists. A possible cause of this situation could be the inability of human resources department employees to correctly identify really qualified specialists. The same situation is characteristic for managers of middle and higher levels who lack most of times in organizations.

Bearing in mind that 6.7% of the organizations which registered lack of personnel needed especially auxiliary staff, we can conclude that they do not cooperate with territorial employment agencies, which are addressed by most of times persons of low qualification levels or without any profession that would facilitate their employment.

There are many causes for the lack of personnel, but the most important is the lack of staff with needed qualification (figure no.4).

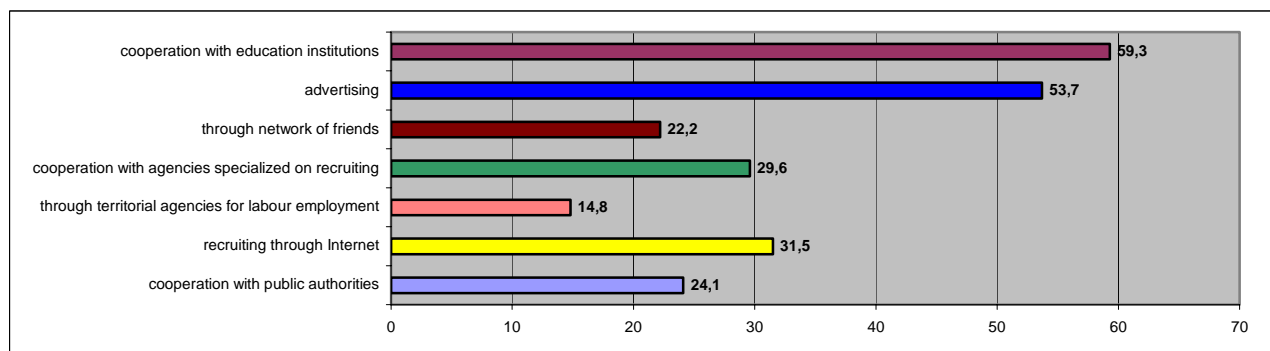
Figure no.4. Reasons for the lack of personnel in organizations



After analyzing the causes of staff deficit, we can conclude that, at the current situation, the organizations require a higher standard of professionalism and abilities, both, from their own employees and from potential workers. On the other hand, we could deduce that the professional training of young people in education institutions is below enterprises' expectations. At the same time, organizations have also internal problems related, to a greater extent, to abilities of specialists from the human resources domain and directors' abilities to identify suitable persons for available positions. A separate cause deals also with the offered salary. Thus, most often, potential candidates accept to leave abroad to work instead of being employed in their country with a salary insufficient to feed their family.

In order to avoid the lack of personnel, organizations apply different methods of staff recruiting, presented in the figure 5:

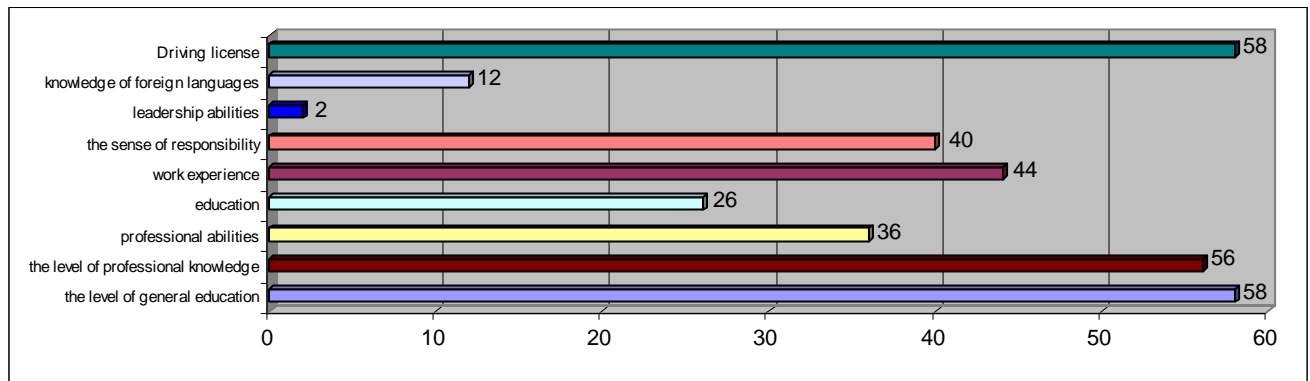
Figure no.5. Methods of recruiting used by organizations participant in the survey



This way we can conclude that local organizations adapted themselves to the competitive environment and understand that in order to attract best specialists into their organizations they must simultaneously use a multitude of staff recruitment methods. At the same time, the efficiency of staff recruitment in an organization does not depend only on used methods of recruitment, but also on other aspects that must be taken into consideration by directors or specialists from the human resources field, and mainly: organization's reputation at the national or local level, the salary level, non-salary advantages and working conditions, the safety of the working place, possibilities to continue studies and professional training, carrier development perspectives, etc.

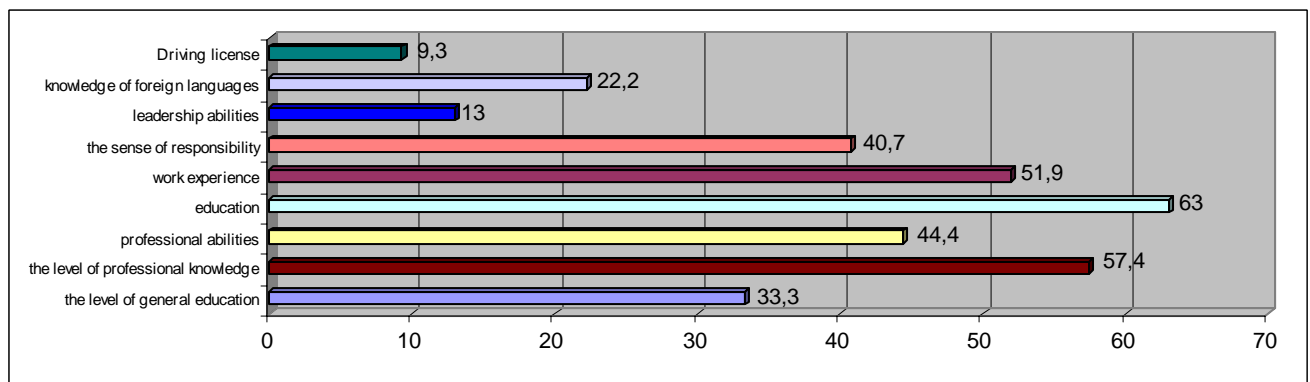
The quality of employed staff within an organization depends, to a great extent, on criteria considered when selecting candidates; these ones are presented in figure no.6.

Figure no.6. Criteria of staff selection



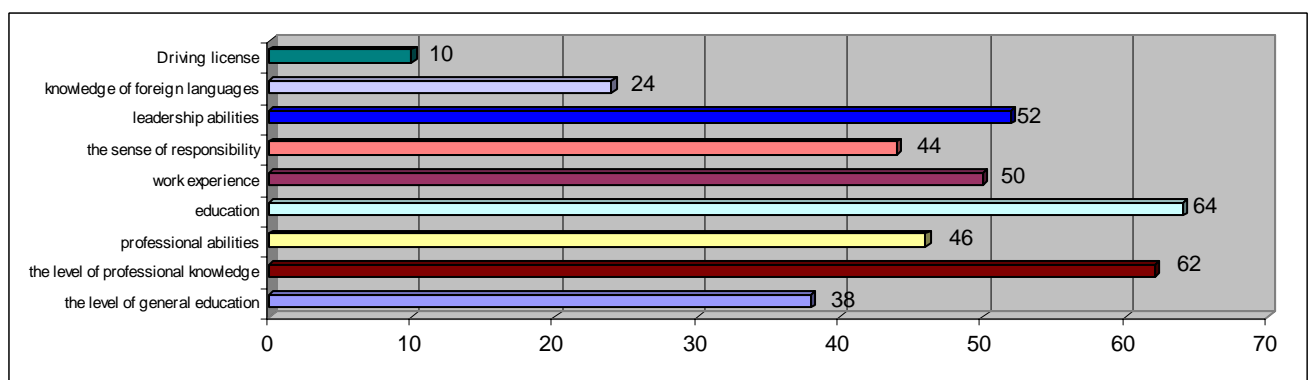
In the figure no.7 we presented selection criteria applied by organization in the case of specialists:

Figure no.7. Criteria of specialists' selection



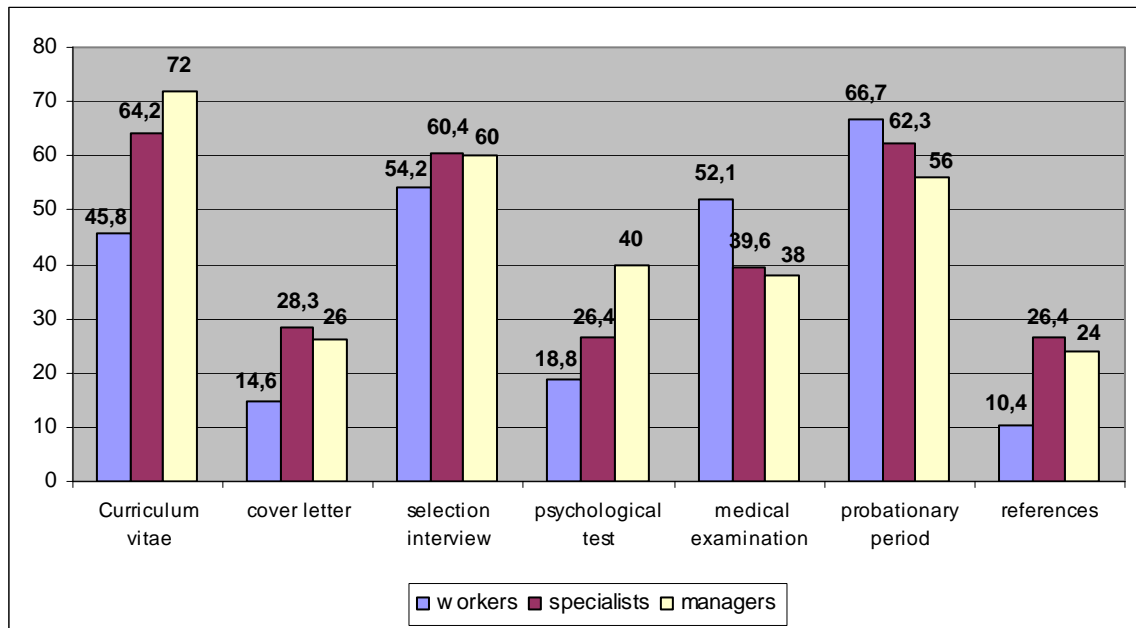
The hierarchy of selection criteria for managers is changed if comparing with selection criteria for simple employees. In figure no.8 we present the frequency of selection criteria for managers.

Figure no.8. Selection criteria for managers



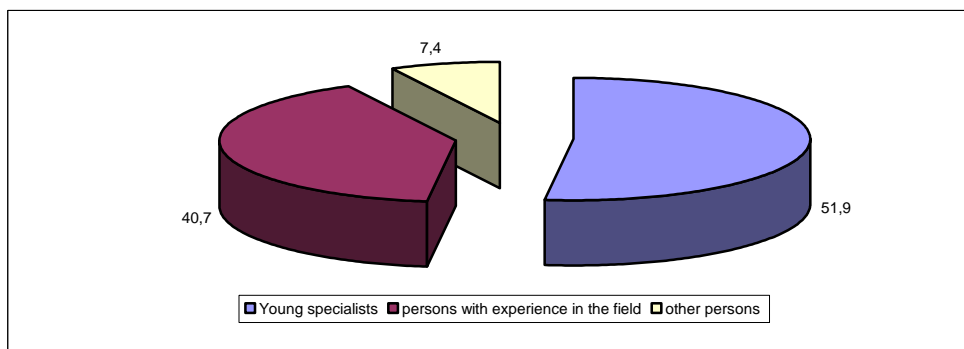
Surely, organizations do not take into consideration only the education factor during staff selection process; they also consider the level of professional knowledge. Diplomas of successful graduation are not so relevant, however, people who want to be hired need to show a good level of professional knowledge and abilities accepted by organizations. Of course, higher specialized staff is always searched but when the requested level is too high, needed specialists are harder to find and if found they may be disappointed if their skills are not appreciated. In order to identify most suitable staff for vacant positions, organizations apply different selection instruments, presented in the figure no.9.

Figure no.9. Selection instruments applied by local organizations for different categories of employees.



Thus, each organization, depending on their activity domain and on vacant positions, apply different selection instruments for candidates, taking into consideration organization's policy for this domain, the organizational culture and first managers' attitude towards new staff employment. During the process of staff employment, organizations are oriented towards special categories of persons depending on policies promoted in this domain. In the figure no.10 we present categories of persons usually selected by enterprises during the employment process.

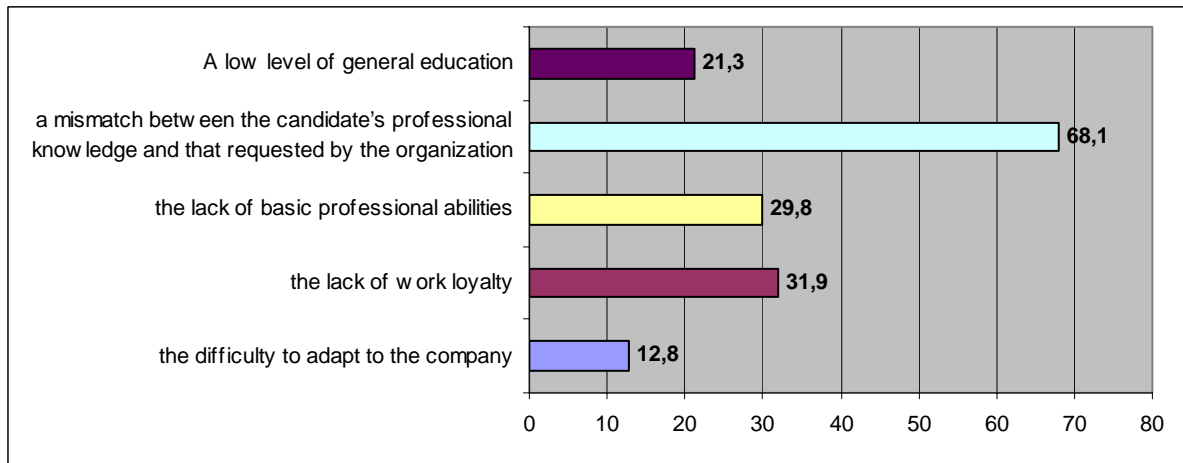
Figure no.10. Categories of persons selected by enterprises during the employment process.



Even though organizations are especially oriented towards young persons, mainly these ones meet greatest difficulties to get employed because of lack of experience. A serious problem represents also the mismatch between the candidate's professional knowledge and that requested by the organization; this problem increases even more in the case of specialists and managers (see the figure no.12 and 13).

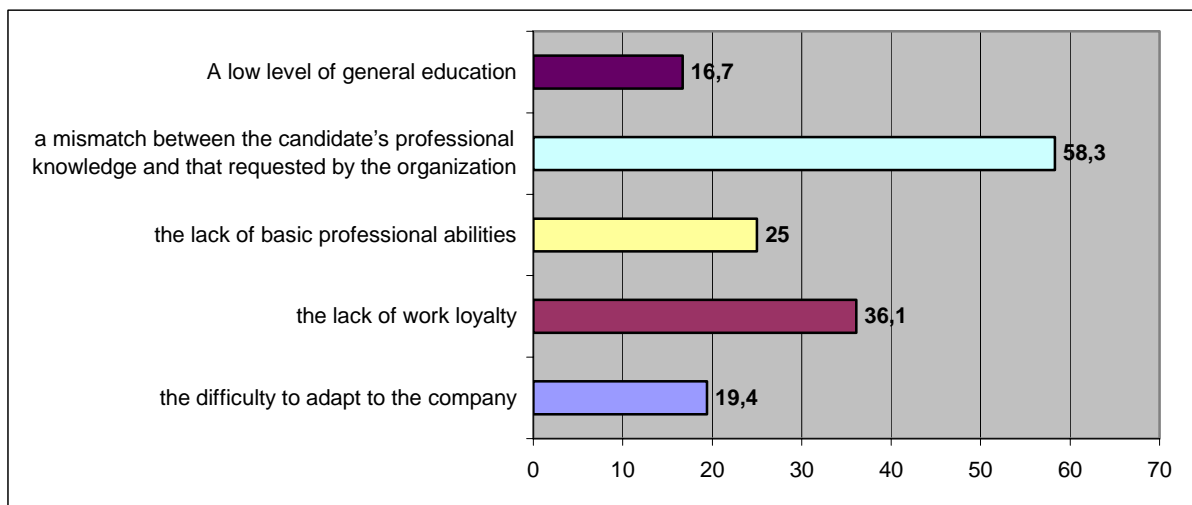
We consider that the mismatch between the candidate's professional knowledge and that requested by a certain organization for specialists and managers must be seriously analyzed by education institutions which are engaged to professionally train them.

Figure no.12. Drawbacks characteristic for young specialists



The figure 12 and respectively 13 show us that the mismatch between the candidate's professional knowledge and that requested by a certain organization for specialists and managers must be seriously analyzed by education institutions which are engaged to professionally train them. So, when education plans and professional training standards are being drafted, one may take into consideration also the wish of enterprises which activate on the real economic market.

Figure no.13. Drawbacks characteristic for young managers



As for the difficulty of adaptation to the organization environment, more frequently encountered in young managers, this one can be conditioned on the bigger responsibility that they must assume; in many cases this fact causes a certain level of distrust in what they are doing.

Staff professional development.

The human capital represents a competitive advantage for each organization; it allows it to be on top of others. Organizations must develop abilities to find, assimilate and keep the human capital, i.e. staff with knowledge and abilities needed by enterprises and who could support the evolution of a responsive organization, both to clients' requests and to possibilities of technologies rapid growth. In order to have very well trained staff from a professional point of view, companies must invest enough financial resources to develop knowledge and professional abilities of their own employees (figure no.14).

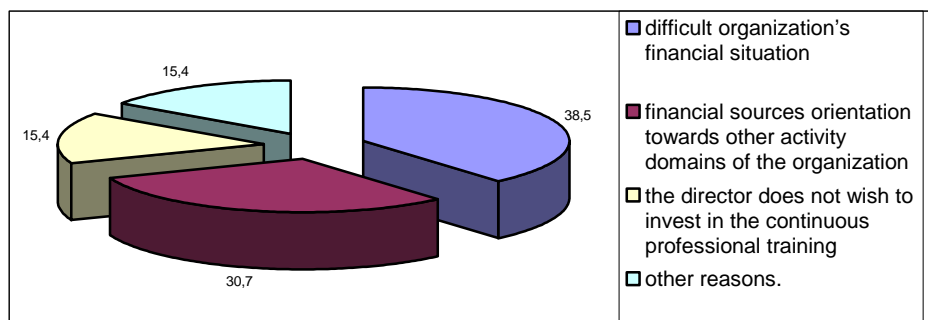
Figure no.14. Assessment of financial resources allotted for staff training.

INSUFFICIENT ➡➡					
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Both, human resources managers and directors understand, to a greater extent, the low level of financial sources invested for staff professional training. In this case, they must at least respect the existing law, which stipulates the allocation of 2% at least from the payment fund for staff training.

There are several causes of little financial means allocation for the staff training (figure no.15).

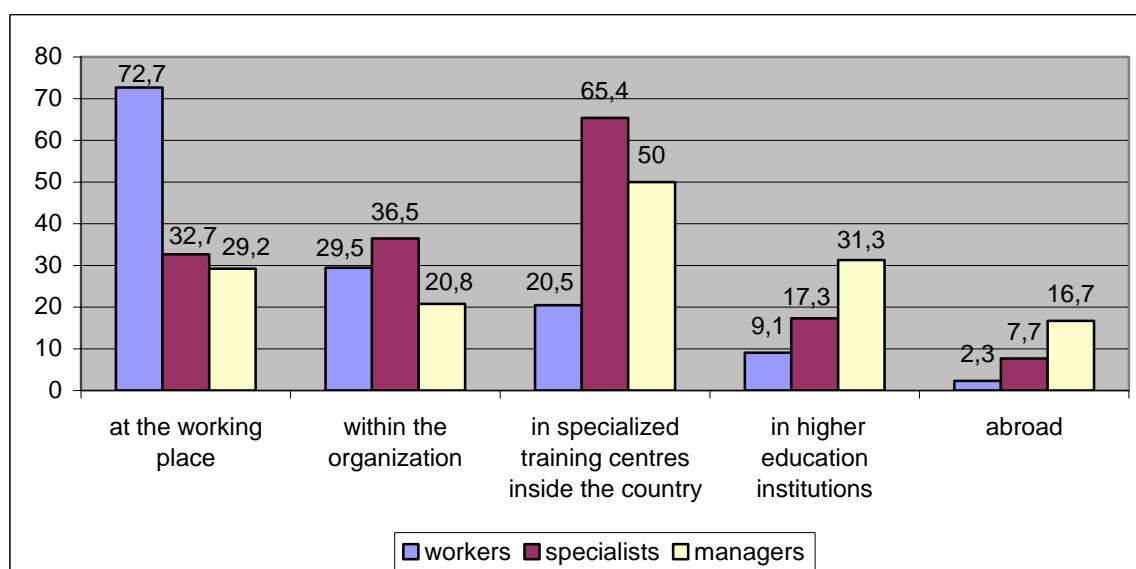
Figure no.15. Causes which determine the insufficiency of financial sources for staff training



The analysis of the figure 15 make us conclude that in many cases (over 50%) the professional training does not represent a priority for companies, at the same time the existing law concerning the training is being encroached upon.

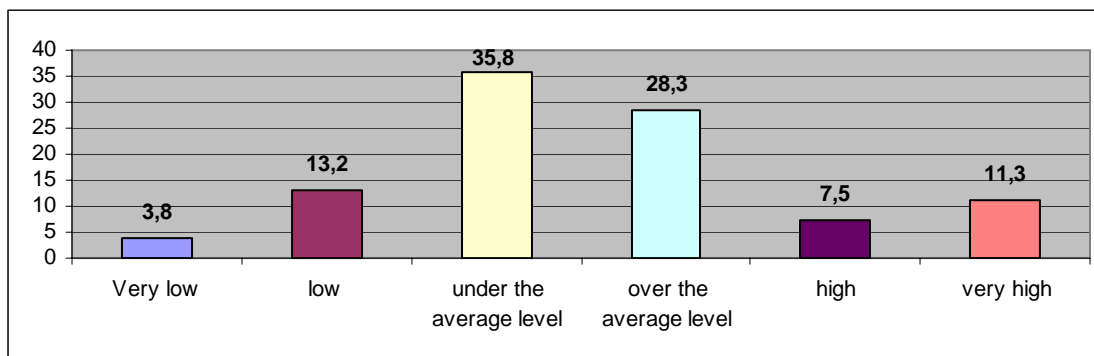
In order to decrease expenses for professional training, the latter is being done inside the organization. Usually, workers are more frequently trained within the organization, this method being considered the most efficient (figure no.16).

Figure no.16. The place of professional training of the personnel



Bearing in mind that for all categories of employees the professional training is mainly being done in the Republic of Moldova, it would be advisable to know the development level of the educational market in the continuous professional training. Even though the educational market of the continuous professional training domain is now in a development phase and has not yet a certain maturity, the organizations participant to the test gave it an assessment mark (figure 17).

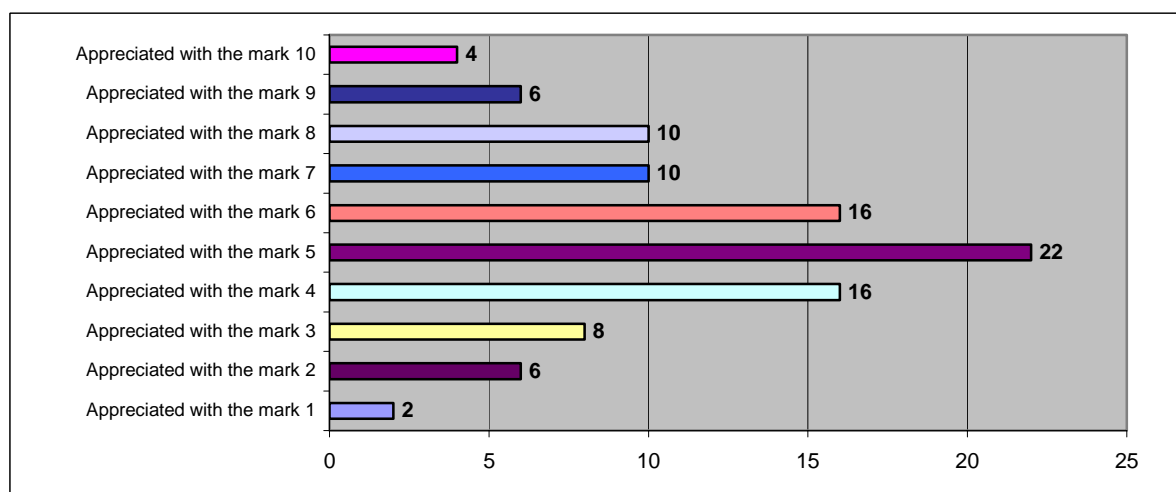
Figure no. 17. Educational market development level
in the continuous professional training



After analyzing companies' assessments, we conclude that educational market in the continuous professional training domain is in a formation process, therefore, we cannot say it has a high development level. Organizations are not fully happy with the specialists currently available on the market and new specialists in this field are welcome. This will lead, first of all, to increased competition among the organizations providing this kind of services and secondly, increase in quality of the offered services.

The educational market development level in the continuous professional training can be also determined by the quality of professional training programs offered by specialized training centres from the Republic of Moldova (figure no.18).

Figure no.18. The quality assessment of the professional training programs
offered by specialized training centres.

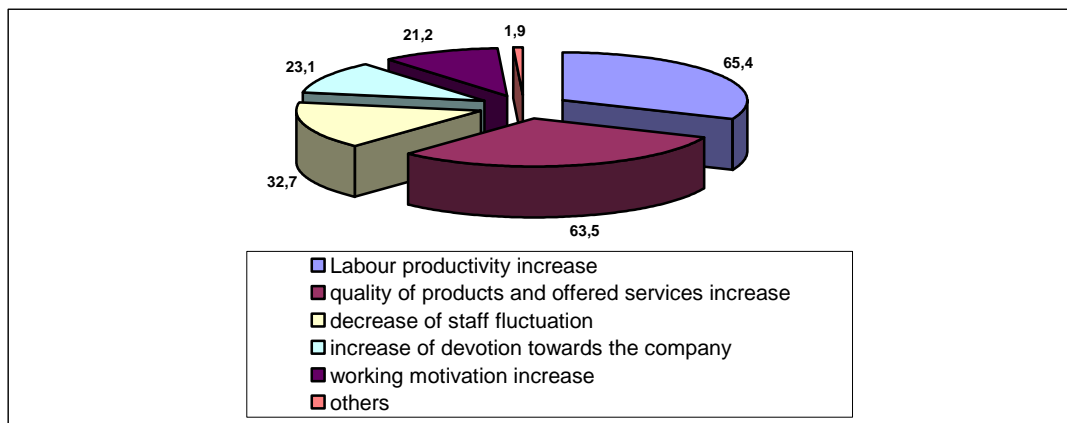


We note that the quality level of continuous professional training programs offered by specialized centres is not really the best one; on the contrary, in some cases it is quite bad. In this situation, specialized centres of continuous training for employees, when they formulate training programs, they must consider demands and wishes of their organizations-clients, at the same time identifying which are problems met in the management process of their organization.

Continuous professional training leads to labour productivity increase, to quality increase of products and offered services, etc. (figure no.19).

Therefore, professional training has benign effects over the further development of the organization. That is why higher management bodies of the enterprise should pay due attention to this issue and try to find possibilities to increase financial sources in this area, taking in consideration long term benefits.

Figure no. 19. Benefits obtained by organizations
In result of the continuous professional training of their employees.



Ignored priorities.

We can ascertain that companies pay little attention towards performances assessment activity, fact not admitted in conditions of economic competition, where the performance represents the element which makes the difference between organizations and ensures their competitiveness in relation with other enterprises. If this element was considered when establishing salaries, staff salaries would differ depending on their performance levels and this would also contribute to their promotion on the professional hierarchy.

Among less considered priorities we can find staff payment, security and personal health during the working process, relationships with other employees in terms of communication, involvement and participation, as well as ensuring equal chances for all employees within an organization. Also, companies pay less attention to activities of drafting and readjusting staff policies. This fact allows us to conclude that organizations have not drafted sector policies for the human resources management domain which could be the basis for staff employment management within an organization.

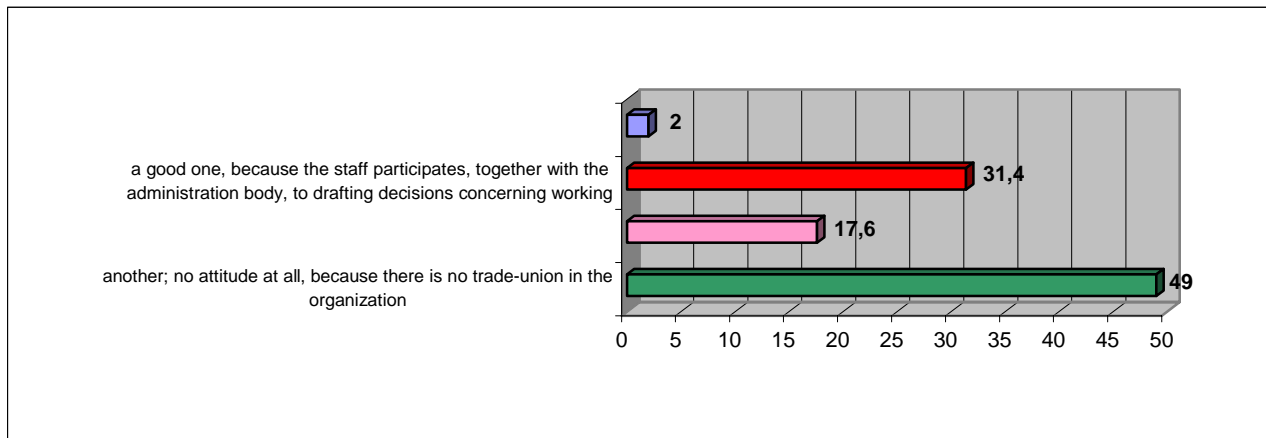
4. HUMAN RESSOURCES MANAGEMENT PRIORITIES MEETING CURRENT LEGAL FRAMEWORK

One of the key aspects which regulate companies' priorities in the domain of work relationships is the labour law. The experience of the Republic of Moldova, also confirmed by annual reports of the Labor Inspection, demonstrates that a lot of companies have problems with respecting and interpreting the labour law. In consequence, legal norms are not respected, mainly those concerning the individual working contract (lack of such a contract), working period (exceeding the legal working hours), salary (the salary amount is inferior to the minimum amount established by the state), safety and health of the work place (work in risky conditions, etc)

Taking into consideration Labour Code stipulations, we will present in the figure no.20 companies' attitude towards the organization's trade-union.

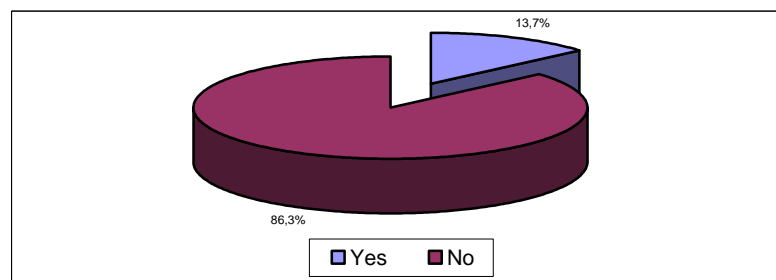
We note that, generally speaking, half of companies have a good attitude towards trade-unions, because they participate together with the administration bodies in drafting decisions related to working relationships. The existence of an unfriendly attitude towards the trade-unions of the unit can be explained through inauspicious working conditions existent within organizations, as well as through small salaries, etc. Of course, the trade-union body creation within an organization would increase the number of administration's responsibilities towards the staff. Unfortunately, a lot of companies do not want to assume these responsibilities. And the lack of attitude towards the syndicate of the unit can be explained by the inexistence of a trade-union body. Therefore, in many cases, decisions concerning labour relations between the director and employees are adopted unilaterally, fact that negatively influences working conditions, material stimulations, working program, etc.

Figure no.20. The attitude towards trade-unions within organizations



One of the problems faced by companies when dealing with priorities of the human resources management, against the legal framework, is the employment on the labour market of children up to 18 years old (figure no.21). Generally speaking, companies are not interested to hire pupils or students, even on a short period of time, even if they have a lack of permanent staff. The main cause claimed by companies is that minors cannot be punished for not respecting the labour law and that they have a low working productivity. At the same time, students are on a greater demand than pupils and most offers are for boys. Teenagers are more frequently hired in commercial and public food units.

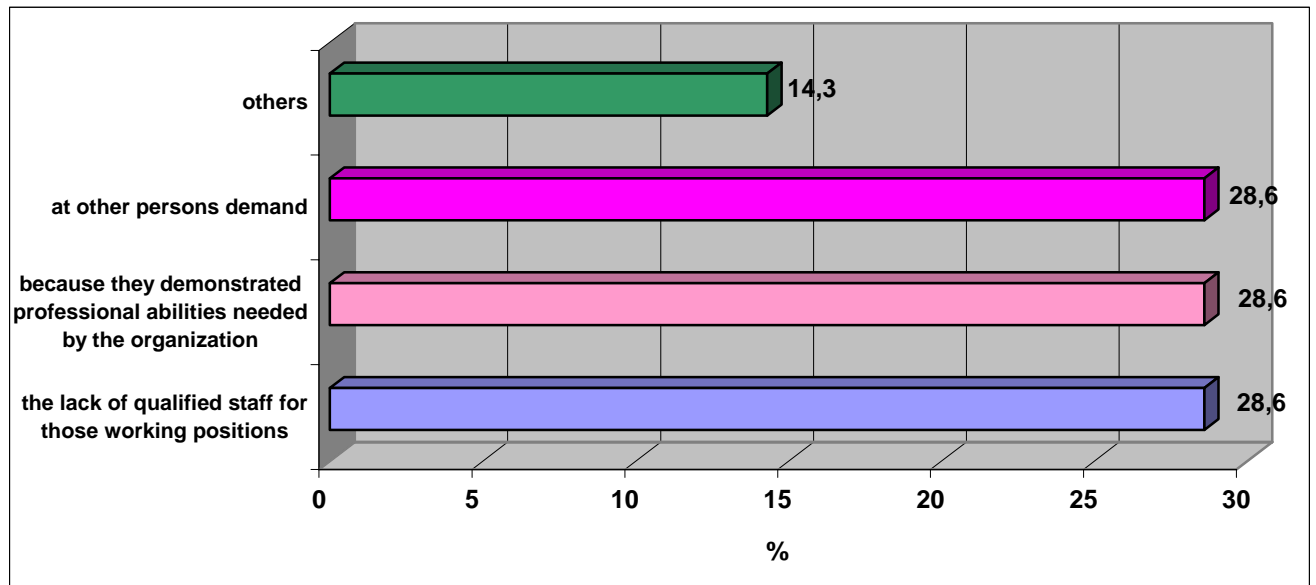
Figure no.21 The number of companies who hired children up to 18 years old



These data show that even though companies are prudent towards hiring children up to 18 years old, young men are still employed in different positions. On the other hand, administration bodies of companies must pay special attention to working conditions of teenagers because these ones are highly vulnerable towards the knowledge of labour law and of working activities.

Reasons to hire minor staff are shown in the figure no.22. The most general conclusion is that by employing minor staff, companies do not sign with them any contract; in consequence they do not pay contributions to the state budget for medical insurances, social insurances, taxes, etc. Taking into account that young men do not know the labour law, companies do not assume practically any obligation, as in the case of the working contract. Nevertheless, companies have also risks. By employing minor staff instead of qualified personnel, they will have: a low execution level of working tasks and functional obligations because of the lack of knowledge and professional abilities in the specific field; the increase of working accidents risks because of the low education level or its lack concerning work safety and health; tensions of the ethical-psychological environment among colleagues due to the stereotypes that minors are not the most suitable for that specific position; they must be permanently watched out, impeding thus the normal execution of other colleagues' working tasks.

Figure no.22. Reasons to hire minor persons within companies



As for the motivation of hiring minor staff, the fact that they demonstrate professional abilities needed by the organization, seems to be the only plausible reason that deserves to be taken into consideration. Finally, it depends on the type of activity given to minor staff; we cannot compare the position of bar waiter with that of locksmith, etc.

In this context, the majority of companies consider that the labour law is not clear. Unclear facts refer to:

- the art.142, p.5 of the LC of RM – total salary payment to the husband, wife, mature children or to parents of the dead persons;
- the art.244 – liability for encroaching upon working protection norms.

At the same time, a lot of proposals are mentioning: minimising income tax from physical entities, payment decrease for social insurances and medical insurance, law modification concerning the leaves – dismissal procedure simplification (modification of the art.86 of the LC of RM), private working contracts and working cards (art.66 of the LC pf RM), the age of retiring, the budget of state social insurances and salaries.

Some proposals refer to:

- drafting and implementing norms concerning staff training in order to retain them within the company;
- cancelling existing norms concerning pregnant women;
- establishing the probationary period up to maximum a month;
- the improvement and singularity of the Fiscal Code, aiming to exclude the voluntary interpretation of the fiscal law by fiscal inspectorates.

Of course we should pay attention to the proposal concerning the decrease of the income tax for private persons. Unfortunately, against these proposals, the Ministry of Finances has put forward to the Government for examination the progressive income taxation scale for private persons, scale valid for the year 2008. In our opinion it does not correspond to national labour market needs because countries which apply such progressive taxation scales have also a much higher level of economic development; the most important and the greatest part of their society is the middle class. In consequence, by creating different incomes, they get different taxations, respecting thus the social justice. In this context it is ridiculous to think that the annual income of an employee in the Republic of Moldova, exceeding 25201 MDL (2100 MDL per month) and put to taxation of 18% can be compatible with the salary of the middle class. Therefore, the National Confederation of Trade-unions from the Republic of Moldova must influence, through its means, the decision to introduce the mentioned progressive taxation scale.

As for the decrease of payments in the budget of state social insurances, this is a very painful issue, both for companies and for the state. This issue has multiple interdependent causes, mainly: the

demographic crisis due to massive emigrations of people able to work, unsatisfactory functioning of the real economic sector, etc. We want it or not, due to the continuous increase of pensioners, the pressure on the budget of state social insurances increases every year, even if calculating the amount of present payments. The majority of countries of the world face this kind of situations.

At the same time, we consider that not all proposals mentioned by the surveyed companies are fully motivated. Thus, the dismissal procedure is clear enough, because it stipulates exact dismissal situations. That is why there is no need to simplify, for instance, the art.86,87,88 of the LC of RM, only maybe to some dismissal cases, because otherwise we could create a state of confusion that would complicate even more the dismissal procedure. This applies also for the case of pregnant women, if cancelling labour law stipulations in their situation, we would enter into contradiction with fundamental human rights, stipulated by the national law (art.43, p.2 and art.50, p.1 of the Constitution of the Republic of Moldova, art.76, lit.a) of the LC of RM) and the international one, to which the Republic of Moldova is part.

5. COMPANIES COOPERATION LEVEL WITH PUBLIC AUTHORITIES

The information gathered through focus-groups (prior to survey) showed a limited cooperation level between companies and authorities: the authorities are not punctual, they are often cool and sometimes unfriendly, they are verbally aggressive and mainly centred on sanctions and operating with negative appreciations, the lack of understanding companies' problems and their development necessities, etc are the main difficulties that appear between authorities and companies administration. At the same time, companies are not happy about very frequent verifications undertaken by the authorities.

The majority of companies' representatives declare that corruption and bureaucracy are the most important obstacles in establishing an efficient dialogue with central and local public administration bodies. In this situation the cooperation is a more formal one. Usually, companies' objections are forgotten by authorities. In this context, companies consider they cannot really participate in the elaboration of the labour or fiscal legal framework, etc.

At the same time, the lack of cooperation between companies and authorities is confirmed also by companies discontent towards frequent controls from the state bodies, the Labour Inspection, Anti-Corruption Office, the State Sanitary-Epidemiological Service, The Fire Service, The Service of Standardization and Metrology. On the other hand, the lack of cooperation is confirmed also by Labour Inspection reports, where they mention directors of companies who interdict or do not want to offer access to controllers on enterprises' territory.

That is why the majority of companies have stated their position - it is impossible to find solutions for most important problems – educational, that of the social insurance and salaries, etc. without the participation of businessmen who could influence government policies. In order to achieve this aim, it is for greater openness on behalf of both, authorities and from companies; this fact would move the accent from controls and to a long term constructive cooperation.

6. POSSIBILITIES OF EMPLOYEES RETENTION WITHIN COMPANIES

Because of the economical situation of organizations from the Republic of Moldova, discontents appear very frequently, especially those related to the increased fluctuation of employees. Thus, in conditions of an increasing business competition, every organization has the difficulty to keep their staff and impeding them to leave to another company. An organization, in order to survive, must find new methods to keep and stimulate its employees, to convince them not to require dismissal.

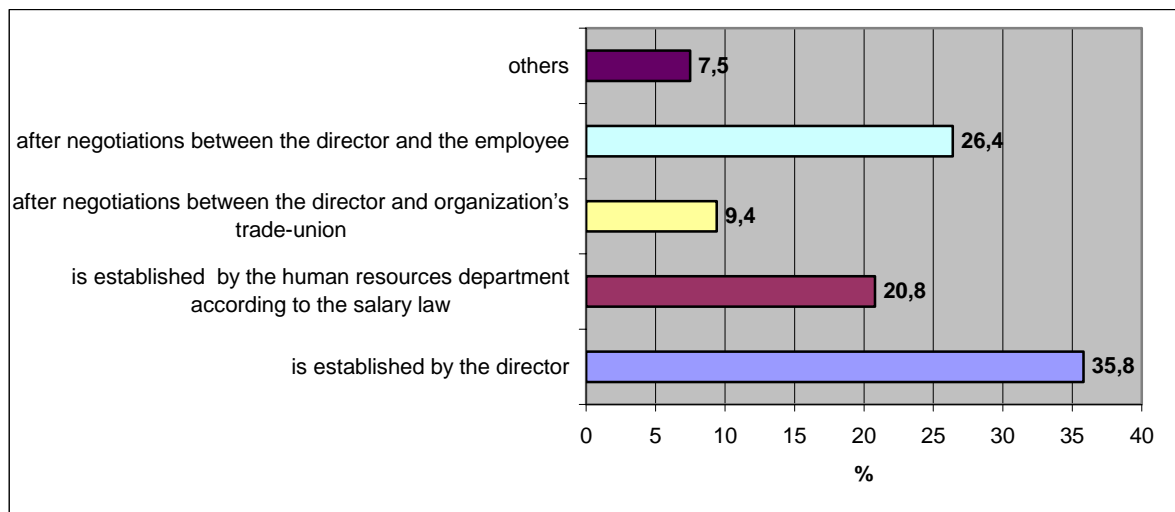
In this context, the majority of surveyed companies declared that they put in practice several methods for motivating their staff: greater salaries, prizes, better working conditions, organization of resting days and holidays, training, etc. At the same time, some companies try to apply the principles of

participative management, the medical insurance, afford credits without taxation, the 13th salary, ensure the transport to the working place, trips for experience exchange, respect the labour law and organize competitions „The worker of the year”, „The worker of the month”.

The salary represents the main income source for the majority of persons employed in an organization. Hence, the majority of employees want salaries establish to a level which is able to assure a decent life, both, for the employee and for his family. In a competitive economy, the salary has a flexible character, so it can be individually established for each employee, considering the existing law and ensuring fair salaries. Salaries can be set individually by the director of the organization in form of private salaries for first managers of the organization or after negotiations between the director and the organization's trade-union or according to the existent law, etc. In the figure no.23 we present the mechanism through which surveyed companies establish salaries.

The organization remuneration policy must also consider salaries paid by rival organizations. In case if these are not considered, smaller salaries could cause, after a period of time, major problems for staff retention.

Figure no. 23. Mechanisms of establishing salaries within organizations



In this study's case, we proposed ourselves to see what criteria are considered by companies to be the best ones and which are applied when establishing staff salaries. These criteria are indicated in the table no.2.

Thus, the salary is the subject of permanent debates between the employees and the employer and also the subject of discontent from employees. In order to avoid all suspicions concerning the way the salary is established, it is important that criteria which are taken into consideration should be clearly stated, in a common agreement with employees and acknowledged in a proper way.

Table no.2. Criteria taken into consideration in setting the salaries

Criteria	In the order of their importance		
	First	Second	Third
Work performance	58.5%	22.6%	15.7%
Work experience	9.4%	26.4%	17.6%
Complexity and difficulty of the working position	20.8%	26.4%	21.6%
Disciplinary misbehaviour		5.7%	9.8%
Level of implication in taking decisions	11.3%	11.3%	25.5%
Salaries of competing organizations		7.5%	9.8%

7. ASSESSEMENT OF WORKING ETHICS AND EMPLOYEES ATTITUDE TOWARDS IT

For most of companies working ethics is the standard that must be respected by all employees. Unfortunately, the majority of problems related to this issue usually appear with young employees (figure no.24). It is alarming that young workers are not devoted to their work, fact confirmed by 52.2% of the tested companies. Companies find among young employees a growing indifference towards the work and the wish to avoid respecting obligations. On the other hand, this lack of devotion to the work can be explained also by the fact that young workers are usually the less paid employees of an enterprise.

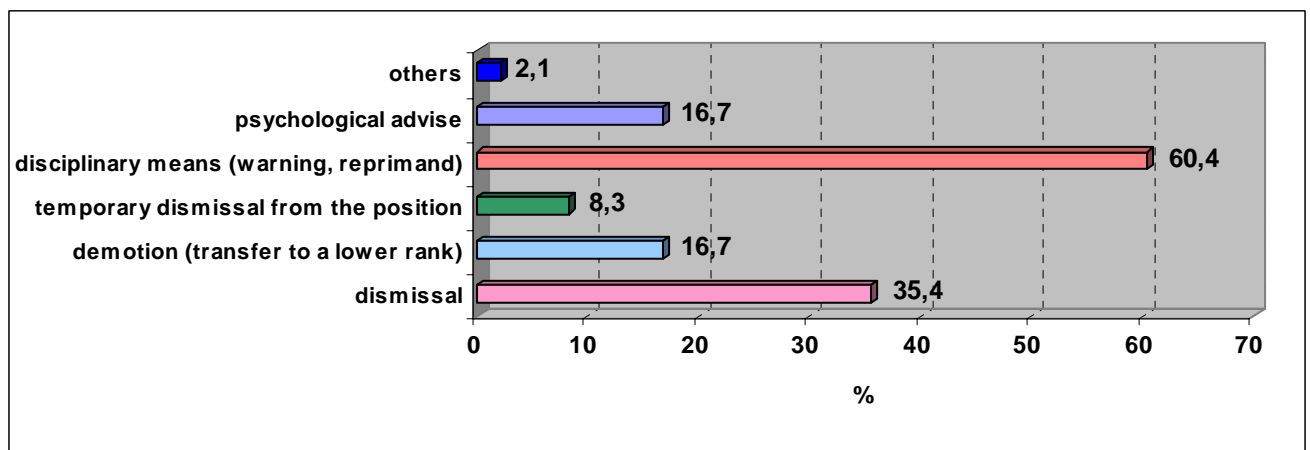
Not less important is the level of general knowledge which has special implications over young people's behaviour during working hours, so the lower is the level of general knowledge – the harder is the work for the company's management.

Figure no.24. Drawbacks characteristic for young specialists



The biased attitude towards working ethics leads to the appearance of conflict situations. This fact is more evident in the case of employees with poor performances, disciplinary misbehaviour, etc. After analyzing the figure 25, we conclude that a great part of companies use disciplinary means (warning, reprimand) in case of such employees, according to provisions of the art.206 of the LC of RM, fact appreciated as very good from a legal point of view. As for the dismissal, for more that 1/3 of companies it is the most rapid and universal disciplinary measure. Of course, it can be applied more often, especially in case of ordinary positions (driver, porter, etc.) As for higher qualification positions or administration ones, companies must be very prudent, because alternative means also exist: maybe the same warning (if it is for the first time) or others.

Figure no.25. The means taken by companies having employees with a negative and inadequate attitude towards the work



We underline the fact that if, for instance, it is about a top-manager position, then it will be difficult to do something against him, because his status imposes a more calm and benevolent attitude, if

comparing to the position of welder, carpenter, etc. This situation can be explained by the fact that on the labour market of the Republic of Moldova there is an increased deficit of higher qualified specialists. As a result, it is easy to dismiss a top manager and very hard to hire another one: the top manager is not a person to phone, immediately establish a meeting and the second day we will see him at work. At the same time the demotion phase or the temporary dismissal from the position imply a strong psychological factor which deeply disheartens the employee, makes him feel humiliated in colleagues' eyes and finally determines him to leave the company by his own will. That is why, in order to reduce the probability of hiring difficult staff, Human Resources Department should pay more efforts to identify them, starting from CV reading (in the case of top managers – to control, if necessary, the causes of too often dismissal from previous working places) and ending by the selection interview and psychological tests.

In order to create a positive attitude towards work, a part of companies applied some practices, close to the concept of Social Corporate Responsibility, especially concerning **human rights** and **working standards** (see the table no.3)

Table no.3 The application of Social Corporate Responsibility practices

Definite activities for employees profit
<ul style="list-style-type: none"> - will offer help to young people to integrate into the professional environment and to obtain experience in the domain; - will sign working contract specifying the stimulation system; - will celebrate the company's foundation day; - will respect employees rights; - will not admit children to work; - will draft a correct working contract, favourable to the employee

We consider that mentioned activities have a greater optimistic perspective, because these ones contribute to the creation of a good attitude towards the work, at the same time representing motivation means, crucial for companies' success on the market.

CONCLUSIONS

After analyzing main aspects concerning working relationships within companies, we can draw the following conclusions:

1. The Human Resources Department staff has not always the needed level of professional education in this domain, a level corresponding to the market requests; a part of its staff being even specialist in programming domain, and not in that of human resources;
2. The activity of the Human Resources Department is often being reduced to only registering employees and their mobility within the enterprise. In consequence, the analysis of human resources and their best evaluation, the evidence concerning the education and qualification levels, the working experience, staff structure depending on their age (these data can be found in the private file of each employee) and implicitly – previsions of the necessary staff; all these are being realized superficially and are sometimes even ignored;
3. Human resources management priorities of the majority of companies are much behind the principles of the market economy. The fact that they do not include in the list of their priorities such key domains as drafting and readjusting staff policies (phase which, in fact, must be fundamental for staff administration), payment and assessment of staff performances, this fact

diminishes from the very beginning the management efficiency level and results of the economic activity;

4. In one of two companies there is lack of qualified staff (workers and specialists) due to the emigration abroad of a greater part of it, but also due to the fact that professional education offered by vocational schools and universities does not meet companies' increasing requirements. It may seem ridiculous, but university graduates are less prepared than those who graduated some specialized courses. Thus, they have serious difficulties at the employment moment. In consequence, bachelor's degree diplomas, even though they certify a certain specialty are more often considered only after the selection process. These difficulties depend on the low efficiency of the high school, secondary professional and higher education systems. There is no cooperation, both, among education institutions and between education institutions and companies in order to establish some priorities concerning professional training programs. This fact demonstrates us the lack of professional orientation of young people, starting from their secondary school graduation. In consequence, many of them have the difficulty to correctly choose the future specialty (according to their aspirations, interests, physical and intellectual development). Moreover, inadequate curricula and technical material endowment of many institutions do not allow the harmonious combination of the theory with the practice;
5. The development level of the education market in the domain of national continuous professional training is not satisfactory for the moment. This can be explained both, by the existence of some specialized training centres, which practically control all the market. In consequence, the lack of a healthy competition leads to a low quality of training programs offered by these centres to companies (30% of companies afforded negative mark to programs, and 38% - marks of 5 and 6);
6. The salary policy within companies considers amount establishing depending on the working performance and on the difficulty and complexity of the working position. Unfortunately, these two criteria mentioned by companies are not always respected. Thus, there are cases when employees with an increasing working performance and a position of a higher difficulty and complexity (for instance, sales agents, supervisors, etc.), being paid on sale or according to joint payment methods, they cannot pretend to a salary increase, even though they surpass jobs established by the employer. As a result, 63.3% of the companies mentioned that the salary amount is the most frequent discontent manifested by employees. This leads to motivation disappearance and cannot be in any way similar to principles of analogous payment systems from western countries.
7. The trade-union body appears as a purely symbolic function within the companies, because only one of two companies declared it has a trade-union. These one are functioning perfunctorily and in reality represent director's interests and not employees'. Thus, trade-unions' activity from one of two companies depends on director's indications. This can be explained both, by the fact that employees do not know the rights and obligations of trade-unions and of their members, and also they do not want (from fear to lose the working place) to use means offered by trade-unions to solve problems concerning working conditions, payment, etc.
8. Companies meet some difficulties with young employees. First, it is about their lack of loyalty towards the work, this is a problem that bothers not only hiring organizations, but also the society in general. Nowadays young people wish to work only in exchange of salaries that organizations cannot offer.
9. The state does not make any efforts to develop a long term cooperation with companies concerning the legal framework which regulates labour relations, especially the staff and social insurances payment from the perspective of their development opportunities (the application of a transparent interactive methodology, centred on practical applications and open communication between parties);

RECOMMENDATIONS FOR AUTHORITIES:

1. To readjust the structure and curriculum of high school, secondary, vocational and university education according to companies requests and demand on the labour market, to improve

technical and material status of the education institutions in order to facilitate the stimulation of tolerance and openness towards knowledge, a more easy and exact assimilation of knowledge and necessary abilities for young specialists;

2. To optimize the threshold on the number of technically trained students, taking into account the attraction of corresponding investments in the respective field, able to hire graduates of technical specialties;
3. To study most advanced world practices in the domain of salary payment and pensions administration, aiming to establish both, real salary amounts and to minimize pressures on the budget of state social insurances (formed from increasing companies' transfers) and stimulation of economic growth through investment of gained amounts in the economy, the creation of new working places, the unemployment reduction (pensions reform leads to the labour market reform), capital markets development - - transferable securities increase and support the development of long terms projects at a macroeconomic level would improve the current situation of the labour market;
4. To develop professional (re)training courses for public servants aiming at increasing the ability to implement the labour law in the territory;
5. To stimulate companies administration participation (directors, specialists from the Human Resources Department, managers) to professional refresher courses in the field of human resources management, with a profound study of priority domains, related to it, considering the world experience;
6. The authorities should form higher requirements of quality standards from educational centres, specialized the professional training of administrators and specialists of a company;
7. To start the initiative of some common activities (participation to official meetings, specialized forums, etc.)

RECOMMENDATIONS FOR COMPANIES:

1. To propose ideas of labour law improvement (mentioned in the par.12) through the National Confederation of Patronates, the Association of the Small Business, the National Confederation of Trade-unions and other bodies to which companies are part;
2. To organize some press conferences, meetings, advertising activities according to the concept of Social Corporate Responsibility, in order to attract the attention of other social actors (the authorities, media, universities, civil society) over the fact that young specialists quality of studies do not correspond to real companies' demand;
3. To learn good practices of human resources management from foreign partners, thus enlarging existent cooperation relationships, including training abroad for managers and specialists from the human resources management domain;
4. To sign cooperation contracts between companies and education institutions aiming at further development of trainings for students and to find strict companies representatives, responsible for further facilitation of training development. These measures would allow further employment of graduates, interested to continue their professional activity within those companies, as very often practiced in Western countries;
5. To create a positive attitude towards work, starting from the transparency of specialized staff selection, motivation during the testing period and continuing by the efficiency of communication relationships, respectively, the feedback between the administration body and employees.